

Update On Executive Order 13150 Federal Workforce Transportation

1. Who is affected?

All DOE Federal employees who utilize qualified "transit pass" transportation.

2. What is the required subsidy?

DOE must pay all eligible employees at least the maximum allowed by law (26 U.S.C. 132 (f)(2)) that is tax-exempt; currently that amount is the actual cost (within \$1) up to \$65 per month and will increase to \$100 effective January 1, 2002.

3. What is the source of funds?

Any fund source may be used; thus, salary and benefits (see the next question), as well as program funds, can be used. As the primary DOE program office with a vested interest in the success of this program, the Assistant for Energy Efficiency and Renewable Energy (EE) will be reviewing its budget to determine whether it will be able to assist organizations outside EE in this effort.

4. Can eligible employees deduct the cost from their salaries as a tax-exempt benefit?

No, not for the cost of the transit pass; it must be paid by DOE. However, they can deduct the cost of any fees for associated parking, e.g., at transit stations or vanpool staging areas, up to the maximum allowed by law (currently \$175 per month for a total maximum benefit of \$240 per month) when PAYS provides for that capability and the employee elects to do so. The parking fees must be handled on a reimbursement basis with the employee providing paid receipts.

5. Will taking a salary reduction have any impact on employees?

For CSRS employees, no; however, for FERS employees, the salary reduction will result in a slight (de minimis) reduction in the amount contributed to social security.

6. What are other Federal agencies doing?

Complete information is not available at this time, but a survey is being planned, at least for all agencies in the National Capital Region (NCR). Like DOE, DOT, and EPA are required to provide the same benefit nationwide. DOT already is providing the maximum nationally, while EPA varies among its regional offices and Headquarters. In the NCR, the range varies from nothing to maximum.

7. What will the nationwide pilot program involve?

It only applies to DOE, DOT, and EPA. Survey instruments are being developed to capture commute information on all employees to establish baseline data for both before and after October 1, 2000, which is the effective date of the Order, to evaluate the success of moving employees from single occupancy vehicles (SOVs) to public transportation and carpools over the 3-year pilot.

One instrument will be used (required) for all new applicants beginning October 1st (this would supplement or be used in lieu of current applications). Another instrument is expected to capture similar information for all employees who are currently in, or have previously participated in, a transit program, since the three agencies have been funding some or all of their employees since at least 1991 (DOT has been funding all of its employees since 1993, so it will not be able to show any substantive change as a result of the Executive Order). Another survey instrument will be used periodically, possibly every 6 months, to take "snapshots" of changes that have occurred as a result of the Executive Order. Details are under development as to how these efforts can be accomplished with the least amount of effort (electronically) that are apt to provide the highest level of responses. It may mean that all current participants will be asked to complete a survey form if adequate historical information is not available. The survey instruments are expected to be available by early September.

8. What guidance will be forthcoming in accordance with Section 4?

The IRS has issued a proposed regulation (FR65, No.181, page 4388-4396) on Qualified Transportation Fringe benefits and expects to issue its final regulation by December 1. Also, OPM is issuing guidance for payroll offices on how to handle salary deductions.

A DOE multi-program work group is being planned to assist in the implementation of this directive.

9. Should a DOE organization that doesn't have public transportation available be concerned about this directive?

Yes, as all organizations will be expected to contribute to reducing the number of SOVs by employees changing to vanpools and carpools.